"Sharing a Vision to Transform Long-Term Care"

SUMMARY OF REMARKS BY

JOSEFINA CARBONELL

ASSISTANT SECRETARY FOR AGING

ADMINISTRATION ON AGING

TO THE
"THE CROSS ATLANTIC EXCHANGE TO ADVANCE LONG-TERM CARE"

EUROPEAN COMMISSION AND AARP JOINT CONFERENCE ON LONG-TERM CARE

September 12, 2006

Brussels, Belgium

This text is the basis of the oral remarks of the Assistant Secretary for Aging. It should be used with the understanding that some material may be added or omitted.

Good afternoon,

I am honored to be your keynote speaker today and delighted to have the opportunity to discuss the steps that we are taking in the U.S. Department of Health and Human Services to address long term care issues.

Before I begin my remarks, I would first like to thank the organizers - AARP and the European Commission - for their foresight in bringing us all together to discuss issues that are critical to all of our countries.

I feel as though I am with old friends. My agency, the Administration on Aging, works closely with AARP and my Department of Health and Human Services has a long and close partnership with the European Union.

AARP's incoming President, Jennie Chin Hansen is a colleague, and the On Lok program which she started in San Francisco – a model of integrated care - was started under a grant from the Administration on Aging. Congratulations Jennie on your new position with AARP.

[Meeting with EC staff; EC's involvement in LTC/ any OGHA remarks]

Our discussions over the past two days have been very thought provoking. Even though we operate within different health care and social assistance systems, we share similar concerns and we have a lot to learn from one another as we all prepare for this global aging challenge.

A number of speakers have discussed long term care in the United States – our challenges and some of our successes. What I would like to do is focus on how the U.S. government, under the leadership of President Bush, frames the long term care issues and the transformational changes we are putting in place.

By 2030, almost 1 in 5 Americans will be 65 or older (US Census, 2006). We estimate that 19 million older individuals will need long-term support in the year 2050, compared to about 8 million today.

These demographic changes are stimulating a transformation in long-term care – a transformation that will benefit not only older adults but everyone.

Yet, in the United States, it is not demographics alone driving the need for change – it is the need to build a system around what older persons prefer. Everything happening around us indicates that our society is finally awakening to the reality that we must rebalance and modernize our long-term care system to breakdown the barriers to community living. And, we must do it now.

At the Federal level, the policy shift we are advancing in long-term care is guided by the President's New Freedom Initiative – which calls for a greater emphasis on community-living and consumer-directed models of care.

Our public policy is finally recognizing that as a nation we can spend our long-term care dollars more wisely by expanding opportunities for community care and giving consumers more control over the types of care they receive.

A large segment of the older population has resources they can use to get services at home. Currently, older people spend 50 Billion dollars each year in out-of-pocket expenditures on long-term care. Almost half of these expenditures are used to pay for nursing home care. Providing people with information on lower-cost options and helping them to access those options can help people extend their ability to use their own resources more wisely for their own support at home.

The Department of Health and Human Services, and the Administration on Aging which I head, are working to rebalance the long term care system to favor community-based care.

In an effort to transition people out of nursing homes, our Department is investing $1.75 billion in the "Money Follows the Person Initiative" for home community-based long-term care over the next five years. This is the single largest Federal investment in home and community based services in decades. Through this program, consumers will have the power to decide where they will spend their money and who will give them care.

At the Administration on Aging, we are in the process of modernizing the Older Americans Act. The Older Americans Act which for the past 40 years has guided the development of aging programs and the aging network in the United States. We hope to strengthen the nation's capacity to promote the

dignity and independence of older people and respond to the challenges associated with the aging of the baby boomers.

At the center of this modernization is Choices for Independence, which will advance the President Bush's New Freedom Initiative and complement the Administration's policy for modernizing Medicare and Medicaid. Choices has three main components:

First, is to empower consumers, and I mean all consumers who need long-term care, and not just those who are old, not just those who are vulnerable. "Choices" is about providing people with reliable information and access to the care they need. Choices will help middle-aged people plan ahead for their long-term care and make better use of private financing options like long-term care insurance. Informed consumers will be better able to conserve and extend the use of their own resources on long-term care, and thereby delay or avoid altogether their spend-down to Medicaid.

Let me give you an example of how we plan to empower individuals. Choices will support the development of statewide programs to empower individuals. We will do this through a combination of public education campaigns and by providing personalized information and assistance at "one stop shop" resource centers. Here, consumers will find out about all their funding options. These resource centers should improve government efficiency by integrating the multiple client eligibility forms and procedures associated with publicly supported long-term support options.

Second, Choices is about targeting limited resources to high-risk individuals. We will be giving our states and communities greater flexibility to help individuals who are high-risk of nursing home placement to remain at home. By helping people to remain at home, we will reduce the use of expensive nursing home care and develop a more cost-effective approach which is more responsive to people's preferences.

Third, Choices is about the quality of life of elderly people, and about building prevention into community care by empowering seniors to make life-style and behavior changes based on scientific evidence that can reduce their risk of disease and disability. There is a growing body of scientific evidence on the efficacy of low-cost programs that can empower older individuals, including functionally impaired individuals, to better maintain their health.

These programs focus on interventions such as chronic disease self-management, falls prevention, and better exercise and nutrition. AoA has already committed $6 million over 3 years to fund 13 local projects and a national resource center on prevention. Let me give you an example of one of these program.

In the past 20 years, the Stanford Patient Education Research Center has developed, tested, and evaluated self-management programs for people with chronic health problems. In the original research, a group of 952 participants age 40 or older, all with chronic disease (heart disease, lung disease, stroke or arthritis), were randomly selected for a treatment group or a control group. Health behaviors, health status and health service utilization were measured by questionnaire. After 6 months, results showed that those in the treatment group had improvements in weekly minutes of exercise, frequency of cognitive symptom management, communications with physicians, self-reported health, health distress, fatigue, disability.

Based on this research, Stanford developed a 6-8 week workshop, taught by a trained lay leader, covering topics such as managing disease symptoms, medication management, and communications with health care providers. Workshops offer highly interactive strategies such as skills mastery, modeling, and group problem solving.

We have adapted the original model in a number of our projects. While the original study focused on white, middle income, older adults, we are testing the utility of the program on a low income, Hispanic and African American elderly served through the aging network. We are also implementing these evidence-based prevention programs at the community-level through local aging services provider organizations, including senior centers, nutrition programs, senior housing projects, and faith-based groups. The national deployment of these programs will enhance quality of life while reducing health care costs.

We will be closely evaluating the progress of these programs based on measurable performance standards that will allow us to document the impact of Choices on the health and well-being of older people, their family caregivers, and on health care costs, including Medicaid expenditures.

Choices, when viewed in conjunction with reforms occurring in Medicaid, will provide an unprecedented opportunity to redirect our system of care so that it will serve more people, and to do so in a manner that respects

people's dignity and overwhelming desire to remain independent in their own homes and communities.

The Older Americans Act that we believe will soon be enacted will allow us to expand the reach of our services to more people, including those who can pay for their own care. It will be a vehicle that federal, state and local governments can use to advance system-wide changes in long-term care.

The main strategy for implementing these changes is partnerships: partnerships with local service providers, partnerships at the federal level between organizations like the Administration on Aging and the Centers for Medicare and Medicaid Services, partnerships between public and private organizations. Entrepreneurship will be a driver for transformational change in long-term care through grassroots, community based partnerships.

This long-term care oriented entrepreneurship and the need to expand community based services is laying the groundwork for new businesses and providing opportunities for recent immigrants and new American citizens. The doubling of the over 65 population will require many more services, both formal and informal. Even immigration policy has association with the expanding ranks of older adults as research shows that in the US recent immigrants are critical components of both the formal and informal care system. Some major healthcare organizations are developing immigration and training programs to address the increased demands for workers.

Through these three strategies, Choices will be an integral part of the Administration's efforts to rebalance long-term care and give older adults what they overwhelmingly prefer – consumer choice, control, independence and community living

I look forward to continuing this dialogue with you after the completion of the conference.